Income Tax racket unearthed in Ahmedabad

779. SHRI HASHIM RAZA ALLAHABADI ABDI: Will the Minister of FINANCE be pleased to state:

(a) whether the CBI unearthed an income-tax refund racket in Ahmedabad in the third week of December, 1987;

(b) if so, what are the details theerof; and

(c) what are the details of action taken against the officials involved in the racket?

THE MINISTER OF STATE IN THE DEPARTMENT OF REVENUE IN THE MINISTRY OF FINANCE (SHRI AJIT PANJA): (a) and (b) On 25th November, 1987, C.B.I. Ahmedabad registered an FIR against an Income-tax Officer, an Income-tax practitioner and three employees of the State Bank of India, suspecting their involvement in the fraudulent issue of income-tax refunds to the tune of Rs. 13,645/- in the Income-tax Office, Ahmedabad. During the investigation, certain searches were also conducted by the CBI in December, 1987.

(c) Does not arise as investigation by the CBI is in progress.

Impact of MODVAT on Export-Import Trade

780. SHRI GAYA CHAND BHUYAN: Will the Minister of COMMERCE be pleased to state:

(a) whether Government have assessed the impact of MODVAT on India's export-import trade during the period from July to December, 1987; and

(b) if so, what are the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE (SHRI P R. DAS MUNSHI): (a) Although no specific assessment of the impact of 'MODVAT' on India's export-import trade for the period July to December 1987 has been made, the scheme is designed to help in promoting exports and curtailing imports. The set-off of excise and customs duty on final products makes manufactured exports competitive in the international market. On the import front, MODVAT encourages the process of indigenisation.

(b) Does not arise.

Measures to contain Inflation

781. SHRI PARVATHANENI UPENDRA: Will the Minister of FINANCE be pleased to state:

(a) whether Government are considering several proposals to contain the spiralling inflation; and

(b) if so, what are the details of the measures contemplated in this regard?

THE MINISTER OF STATE IN THE DEPARTMENT OF ECONOMIC AFFAIRS IN THE MINISTRY OF FINANCE (SHRI EDUARDO FALEIRO): (a) and (b) Government has taken a number of anti-inflationary measures towards effective supply and demand management including enhanced distribution of foodgrains through Public Distribution System (PDS); strengthening of PDS with the opening of additional outlets; import of essential commodities like pulses: edible oils & sugar; strict economy in government expenditure; mopping up of excess liquidity in the economy by raising Cash Reserve Ratio and Statutory Liquidity Ratio; imposition of selective credit control and intensive action against hoarders and profiteers.

Indo-Austrian Trade

782. SHRI PARVATHANENI UPENDRA: Will the Minister of COMMERCE be pleased to state:

(a) whether an Austrian trade delegation visited India in January, 1988